

Enclosure A

Notes on Selected Aspects of Estimates of
Soviet Defense and Space Expenditures

The following notes are in response to the enumerated questions in Dr. Block's letter of 4 October to the Director, Office of Strategic Research.

I. Military Pensions

Only personnel retired for age and length of service are considered when estimating the military pension bill. Personnel retired for disability reasons are specifically excluded.

A. Annual Pension Payment: Soviet regulations prescribe the requisite age and time in service necessary for retirement, the kinds of duty warranting additional credit towards retirement, and the percentage of basic active duty pay to be received as retirement payments. This data provides the basis for estimating an applicable average annual pension payment. Analysis of the regulations and pay rates has yielded an average annual pension of 1,900 rubles. This average rate is high because one would expect the typical person on the retirement rolls to be a field grade officer.

B. Number of Retirees: An estimate of the number of retirees is derived from estimates of the size and the composition of the forces, and published regulations governing the Soviet military retirement system. For 1967, the number of retirees is estimated at 240,000.

C. Total Pension Bill: In 1967 the Soviets spent some half billion rubles on pensions for retired military personnel, or about 2 percent of estimated total military and space expenditures.

II. "Para-Military Troops"

The estimates include the cost of operating and maintaining various para-military activities: 1) Reserve training, 2) Militarized Security Forces, and 3) support of DOSAAF, the All Union Voluntary Society for the Preservation of the Army, Aviation, and Navy.